

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE UNION LIGHT,)	
HEAT AND POWER COMPANY TO ADJUST)	CASE NO. 91-370
ELECTRIC RATES)	

O R D E R

On July 13, 1992, The Union Light, Heat and Power Company ("ULH&P") filed its revised rate schedules reflecting the rates and charges approved by the Commission's June 11, 1992 Order. That Order, issued in response to ULH&P's application for rehearing of the Commission's May 5, 1992 Order, granted ULH&P an additional increase in annual electric revenues of \$159,438.

The cover letter filed with the revised rate schedules indicates that ULH&P has not put the revised rates into effect even though they were approved by the Commission with an effective date of June 11, 1992. ULH&P's letter explained that the purchased power component of its rates is subject to refund pending the resolution of its wholesale power supplier's rate application before the Federal Energy Regulatory Commission ("FERC") and that such resolution will necessitate a further change in ULH&P's retail rates. ULH&P indicates that it has not changed its billings to reflect the June 11 rates in order to minimize customer confusion and that it intends to make no change from the rates approved May 5, 1992, until the issue of its purchased power rate is resolved and an Order is issued in this case approving

rates that are not subject to refund. ULH&P indicates that after such an Order is rendered it will file a proposed refund plan to reflect the net impact of its change in purchased power expense and the revenue increase authorized in the June 11, 1992 rehearing Order.


The Commission, as a party to the pending FERC case involving ULH&P's purchased power costs, recognizes that the revenue increase granted June 11, 1992 is minimal in comparison to the anticipated refunds resulting from lower purchased power costs. Given these circumstances the Commission finds good cause to authorize ULH&P to continue billing the May 5, 1992 rates until a permanent purchased power rate has been determined by FERC and rates not subject to refund have been approved in this proceeding. Therefore, we will not accept ULH&P's revised rate schedules as part of its filed tariffs since such acceptance would create a discrepancy between ULH&P's filed rates and its billing rates.

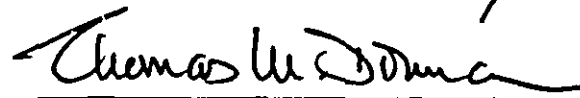
IT IS THEREFORE ORDERED that:

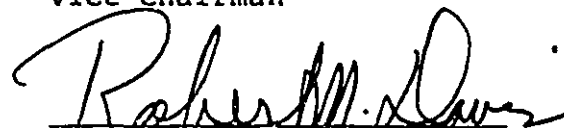
1. ULH&P shall continue billing the rates approved May 5, 1992, until further Order by this Commission.
2. Within 15 days of an Order by the FERC accepting a permanent purchased power rate, ULH&P shall file revised tariffs reflecting the new purchased power cost and the revenue allocation methodology prescribed in our May 5, 1992 Order and a refund plan which reflects the net impact of its change in purchased power expense and the revenue increase authorized in the June 11, 1992 rehearing Order.

Done at Frankfort, Kentucky, this 19th day of August, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director